(b) if so, the date on which the said prices were revised and the reasons therefor;

(c) whether a proposal for increasing gas prices by 12.5 per cent was also formulated two months back; and

(d) if so, the details thereof and the ground which are kept in mind by Government at the time of fixing the gas prices?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) The consumer price ofAdministered Pricing Mechanism (APM) gas was revised *w.e.f.* 1-7-2005 for Power and Fertilizers sectors, consumers covered under court orders and consumers having allocations upto 0.05 MMSCMD in order to reduce the disparity with fuel prices, to bring the price of natural gas closer to the market price and to cover the cost of production and ensure reasonable return to producers. The market price of gas to other categories of customers on HVJ and in Uran, Gujarat, KG Basin and Cauvery Basin was also revised on 1-7-2005. This market price was again increased *w.e.f.* 1-4-2006.

Further, the APM gas price has been increased *w.e.f.* 6-6-2006 for City Gas Distribution projects and small consumers having allocation upto 0.5 MMSCMD, so as to reflect the market price in a phased manner over the next 3 to 5 years.

The price of gas from PMT, Ravva and Ravva Satellite is determined by the provisions of the Production Sharing Contract (PSC) signed by the concerned Consortium with the Government. PMT gas price was revised *w.e.f.* 1.4.2005 and again on 1.4.2006. The price of Ravva Gas was revised *w.e.f.* 1.7.2005. The Ravva Satellite gas priced was revised *w.e.f.* 1.10.2006.

Petronet LNG Limited has a term contract with Ras Gas Qatar for supply of 5 MMTPA LNG; RLNG so obtained is supplied to customers. In terms of the Government policy decision dated 6.3.2007, conveying that the gas prices being charged on supply of RLNG procured under term-contracts should be on a non-discriminatory basis and that uniform pooled prices should be charged from all existing and new consumers, the price of RLNG has been increased for the earlier customers.

(c) and (d) While revising the APM price of natural gas, it was decided by the Government that Tariff Commission would examine the issue of producer price of natural gas. Tariff Commission has recommended increase in the producer price of natural gas, both for ONGC and OIL. Tariff Commission has also recommended that the consumer price should be somewhat higher than the producer price, looking at the substantial difference between the recommended producer price and the price of market gas/alternative fuels. Government is examining the recommendations of tha Tariff Commission.

Proposal for 100 per cent foreign capital investment in petroleum industry

814. SHRI RAM JETHMALANI:
SHRI RAJ MOHINDER SINGH MAJITHA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact the Government is considering to allow 100 per cent foreign capital investment in petroleum industry;

(b) if so, the outlines of this proposal; and

(c) what is the necessity to consider and implement this proposal in the country?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (c) Foreign Direct Investment (FDI) Policy including policy for Petroleum and Natural Gas Sector, is reviewed on a continuous basis. At present, in terms of Press Note No. 4 (2006) Series dated 10.02.2006 of Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, for the Petroleum Sector, Foreign Direct Investment (FDI) up to hundred percent for all activities other than refining and including market study and formulation, investment/financing, setting up infrastructure for marketing in Petroleum and Natural Gas Sector is permissible through automatic route, subject to sectoral regulations. For the refining sector, FDI up to 26% in case of Public Sector Undertakings is permissible through Foreign Investment Promotion Board. However, FDI up to hundred percent in the refining sector is permitted through the automatic route in case of private companies. In a liberalized policy regime, the entrepreneurs are competent to take independent commercial decisions on sourcing either domestic or foreign capital for the industries of petroleum sector.

Surplus Capital with Public Sector Oil Companies

†815. DR. MURLI MANOHAR JOSHI:
SHRI RAM JETHMALANI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is fact that surplus capital is lying unutilized with Public Sector Oil Companies on which interest liability is continuously increasing;

(b) if so, the amount of such capital during the year, 2007-08;

(c) the names of Oil Companies with which such capital is lying unutilized alongwith the amount thereof; and

(d) the details of loan amount outstanding against such companies in the year, 2007-08?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (c) Generally, Oil Sector PSUs invest the funds, which are not immediately required, in term deposits with various banks and financial institutions as per the guidelines laid down by the Department of Public Enterprises, with the approval of the Board of Directors. Since interest is earned on surplus funds, no interest liability is incurred on such surplus. The amount of surplus capital/cash float available with the major Oil PSUs as on 31st March, 2007 and 30th September, 2007, respectively as under:

(Rs. in Crore)

	Surplus Capital/ Cash float as on 31.3.2007	Surplus Capital/ Cash float as on 30.9.2007
ONGC	13643.00	16258.00
OIL	3566.30	4207.35
GAIL	2133.00	2750.00

†Original notice of the question was received in Hindi.